

Calendar No. 112

81st CONGRESS }  
1st Session }

SENATE

{ REPORT  
No. 130 }

## COMPENSATION OF TOP GOVERNMENT OFFICIALS

MARCH 18, 1949—Ordered to be printed

Mr. O'CONOR, from the Committee on Post Office and Civil Service,  
submitted the following

### R E P O R T

[To accompany S. 498]

The Committee on Post Office and Civil Service, to whom was referred the bill (S. 498) to increase rates of compensation of heads and assistant heads of executive departments and independent agencies, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

Section 1 of the bill would increase the compensation of heads of each executive department and of the Secretary of Defense to \$25,000 a year.

Sections 2, 3, and 4, with the proposed committee amendment, would increase rates of compensation of heads of independent agencies, members of independent boards and commissions, and certain White House officials to \$20,000, \$18,000, and \$16,000 a year, upon the basis of their respective responsibilities.

Section 5 would authorize the President to fix the compensation of the chairman, or other head of a board or commission, at \$18,000 if such position carried with it important duties or responsibilities not imposed upon other members of such board or commission who would receive \$16,000.

Section 6, a committee amendment, would increase the basic compensation of 18 specified bureau chiefs and commensurate heads of subdivisions of departments or agencies to \$16,000. It would authorize the President to increase the compensation to \$16,000 in 10 cases where the position of head of a bureau or other commensurate subdivision of a department or agency, board, or commission, or other comparable executive and administrative position, involves important duties and responsibilities.

Section 7 corrects inequities resulting from the exclusion from the provision of the Postal Rate Revision and Federal Employees Salary Act of 1948 of certain employees of the District of Columbia municipal government and certain employees of the Foreign Service by granting

to these employees retroactively the \$330 increase provided by that act for Government employees generally. A committee amendment would make certain the inclusion of the reserve officers of the Foreign Service.

The positions covered and the salaries to be paid, aside from increases provided in section 7, and the limited authorization provided in section 6, are specifically set forth in the bill.

Table 1 enumerates the 240 positions specifically covered and the 10 additional allowable by the bill.

Table 2 presents a summary of the positions covered in the bill, showing the number of positions at each proposed salary rate and their present salaries.

Table 3 shows the present and proposed over-all salary distribution.

The total estimated cost of the bill on an annual basis is as itemized in table 4.

#### GENERAL STATEMENT

Pay adjustment for top Government officials has been the subject of intensive study by the Senate Post Office and Civil Service Committee for the last 2 years. In December 1948 a subcommittee of this committee filed a comprehensive report on compensation of top Government officials. This report, based upon lengthy committee and staff research and hearings, contained a recommended bill calling for substantial increases in compensation for the President, Vice President, Speaker of the House of Representatives, and some 225 top Government officials. A bill (S. 103) to carry out the subcommittee's recommendations was introduced in the Eighty-first Congress and reported favorably January 11, 1949 (Calendar No. 1, Rept. No. 1, 81st Cong., 1st sess.). The subcommittee's report was made a part of this committee report. To permit the President and Vice President to obtain the increase provided before January 20, it became necessary to amend S. 103 on the Senate Floor, limiting the bill as passed, to the President, Vice President, and Speaker of the House of Representatives.

The sponsors of S. 103 reintroduced the unenacted portions of the bill, which became S. 498. A new subcommittee was assigned S. 498 for study and recommendations. The subcommittee, after hearings, consultation with the President of the United States, and careful study, reported unanimously to the full committee S. 498, with a number of amendments which will be described briefly below. The full committee accepted the subcommittee's report and recommended amendments with slight modifications.

In reporting S. 498 to the Senate, the committee proposes the following amendments:

First, the committee recommends that the amounts provided in S. 498 be scaled down. Specifically it recommends that the levels of \$22,500, \$20,000, and \$17,500 contained in the bill as introduced be reduced to \$20,000, \$18,000, and \$16,000, respectively. The committee recommends the same general grouping of positions as contained in the original bill except that it would reduce the proposed compensation of members of the Atomic Energy Commission and the members of the Board of Governors of the Federal Reserve System to the \$16,000 level proposed for all other boards and commissions of the Government. It would likewise reduce the proposed compensation of the Chairman of the Atomic Energy Commission to \$18,000.

COMPENSATION OF TOP GOVERNMENT OFFICIALS

The second major committee amendment to S. 498 proposes the inclusion in the \$16,000 bracket of 18 enumerated positions—all heads of bureaus or other commensurate major subdivisions of an executive department or independent agency, board or commission, or other comparable executive or administrative positions. It would also grant authority to the President to fix the compensation of 10 positions of comparable importance at \$16,000. This amendment is intended to assist the President in obtaining and retaining personnel for a limited number of positions subordinate to the positions originally intended to be covered by the proposed bill, pending enactment of a comprehensive revision of the Classification Act.

The committee recognizes there are other positions equally deserving of upward salary adjustment that this bill as amended does not cover. It also recognizes that this bill is only a start toward a comprehensive revision of the Government's whole salary structure. In recommending immediate consideration of this measure, it is the intent of the committee to engage upon a revision of the Classification Act of 1923, as amended.

This bill with the committee's proposed amendments, although scaled down from the amounts requested by the President and by the Hoover Commission, is considered an important step in the direction of improving the top-level management of the Federal Government. The committee urges Members of the Senate to study the report accompanying S. 103, referred to above. This report contains the comprehensive study of the history, coverage, top-bracket-salary policy, and other important information justifying this proposed legislation. It also stresses the importance of correcting last year's pay legislation to include retroactively District workers and Foreign Service workers excluded from the earlier legislation.

It should be stressed that this bill has the earnest backing of the President of the United States, the Hoover Commission, the organizations of Federal employees, and, it is believed, the public generally.

TABLE 1.—List of top executive and administrative positions to which the proposed bill applies, distributed according to proposed rates of pay

Description	Number	Rates of pay		Increase	U. S. Government Manual, 1948, p.—
		Present	Proposed		
Sec. 1:					
Secretary, Department of Agriculture.....	1	\$15,000	\$25,000	\$10,000	252
Secretary, Department of Commerce.....	1	15,000	25,000	10,000	289
Secretary, Department of the Interior.....	1	15,000	25,000	10,000	229
Attorney General, Department of Justice.....	1	15,000	25,000	10,000	201
Secretary, Department of Labor.....	1	15,000	25,000	10,000	317
Secretary of Defense.....	1	15,000	25,000	10,000	141
Secretary, Department of the Air Force.....	1	15,000	25,000	10,000	192
Secretary, Department of the Army.....	1	15,000	25,000	10,000	145
Secretary, Department of the Navy.....	1	15,000	25,000	10,000	164
Postmaster General, Post Office Department.....	1	15,000	25,000	10,000	216
Secretary, Department of State.....	1	15,000	25,000	10,000	83
Secretary, Treasury Department.....	1	15,000	25,000	10,000	103
Sec. 1 total.....	12	180,000	300,000	120,000	-----

TABLE 1.—List of top executive and administrative positions to which the proposed bill applies, distributed according to proposed rates of pay—Continued

Description	Num- ber	Rates of pay		Increase	U. S. Govern- ment Manual, 1948, p. —
		Present	Proposed		
Sec. 2 (a):					
Administrator for Economic Cooperation.....	1	\$20,000	\$20,000	-----	68
Comptroller General of the United States.....	1	12,000	20,000	\$8,000	33
Chairman of the Council of Economic Advisers.....	1	15,000	20,000	5,000	60
Director of the Bureau of the Budget.....	1	10,000	20,000	10,000	56
Chairman of the National Security Resources Board.....	1	14,000	20,000	6,000	62
Federal Security Administrator.....	1	12,000	20,000	8,000	370
Administrator of Veterans' Affairs.....	1	12,000	20,000	8,000	510
Under Secretary, Department of Agriculture.....	1	10,330	20,000	9,670	252
Under Secretary, Department of Commerce.....	1	10,000	20,000	10,000	289
Under Secretary, Department of the Interior.....	1	10,330	20,000	9,670	229
Under Secretary, Department of Labor.....	1	10,330	20,000	9,670	317
Under Secretary, Department of the Air Force.....	1	10,000	20,000	10,000	192
Under Secretary, Department of the Army.....	1	10,000	20,000	10,000	146
Under Secretary, Department of the Navy.....	1	10,000	20,000	10,000	164
Under Secretary, Department of State.....	1	12,000	20,000	8,000	83
Under Secretary, Treasury Department.....	1	10,000	20,000	10,000	103
Assistant to the Attorney General, Department of Justice.....	1	10,330	20,000	9,670	201
Solicitor General of the United States, Department of Justice.....	1	10,330	20,000	9,670	201
First Assistant Postmaster General, Post Office Department.....	1	10,330	20,000	9,670	216
Sec. 2 (b):					
White House officials designated by the President:					
Six (6) administrative assistants.....	2	-----	20,000	} 76,030	
The Executive Secretary of the National Security Council.....	3	-----	18,000		
Five (5) other secretaries or other immediate staff assistants.....	7	-----	16,000		
	1	15,000	-----		
	1	12,000	-----		
	9	10,330	-----		
	1	10,000	-----		
Sec. 2 total.....	31	348,950	586,000	237,050	-----
Sec. 3 (a):					
Housing and Home Finance Administrator.....	1	16,500	18,000	1,500	414
Federal Works Administrator.....	1	12,000	18,000	6,000	406
Members (other than the Chairman) of the Council of Economic Advisers.....	2	15,000	18,000	3,000	60
Chairman of the Atomic Energy Commission.....	1	17,500	18,000	500	334
Public Printer.....	1	10,330	18,000	7,670	36
Librarian of Congress.....	1	10,330	18,000	7,670	40
Federal Mediation and Conciliation Director.....	1	12,000	18,000	6,000	363
Chairman of the Munitions Board.....	1	14,000	18,000	4,000	141
Chairman of the Research and Development Board.....	1	14,000	18,000	4,000	142
Director of Central Intelligence.....	1	14,000	18,000	4,000	61
Deputy Administrator for Economic Cooperation.....	1	17,500	18,000	500	68
Assistant Comptroller General of the United States.....	1	10,330	18,000	7,670	33
Assistant Director of the Bureau of the Budget.....	1	10,330	18,000	7,670	56
Executive Assistant Administrator of Veterans' Affairs.....	1	10,330	18,000	7,670	510
Assistant Federal Security Administrator.....	1	10,000	18,000	8,000	370
Sec. 3 (b): Director of the Administrative Office of the United States Courts.....	1	10,330	18,000	7,670	53
Sec. 3 total.....	17	219,480	306,000	86,520	-----

TABLE 1.—List of top executive and administrative positions to which the proposed bill applies, distributed according to proposed rates of pay—Continued

Description	Number	Rates of pay		Increase	U. S. Government Manual, 1948, p. —
		Present	Proposed		
Sec. 4 (a):					
Members, Board of Governors of the Federal Reserve System.....	7	\$15,000	\$18,000	\$1,000	364
Members (other than Chairman), of the Atomic Energy Commission.....	4	15,000	18,000	1,000	334
Members, Home Loan Bank Board, Housing and Home Finance Agency.....	3	15,000	18,000	1,000	415
Public Housing Commissioner, Housing and Home Finance Agency.....	1	15,000	18,000	1,000	416
Federal Housing Commissioner, Housing and Home Finance Agency.....	1	15,000	18,000	1,000	416
Housing Expediter.....	1	12,000	16,000	4,000	72
War Assets Administrator.....	1	12,000	16,000	4,000	74
Director of Selective Service.....	1	12,500	16,000	3,500	474
Director of Aeronautical Research of the National Advisory Committee for Aeronautics.....	1	10,330	18,000	5,670	438
Archivist of the United States.....	1	10,000	16,000	6,000	440
Members, Civil Aeronautics Board.....	4	12,000	18,000	4,000	337
Members, Displaced Persons Commission.....	3	11,500	16,000	4,500	343
Board of Directors, Export-Import Bank of Washington.....	1	10,000	16,000	6,000	343
Federal Communications Commission.....	3	12,000	16,000	4,000	344
Board of Directors, Federal Deposit Insurance Corporation (including the Comptroller of the Currency).....	7	10,000	16,000	6,000	348
Members, Federal Power Commission.....	3	15,000	16,000	1,000	354
Members, Federal Trade Commission.....	5	10,000	16,000	6,000	398
Members, Interstate Commerce Commission.....	5	10,000	16,000	6,000	429
Members, National Labor Relations Board.....	11	12,000	16,000	4,000	449
Members, National Mediation Board.....	5	12,000	16,000	4,000	454
Members, Railroad Retirement Board.....	3	10,000	16,000	6,000	456
Board of Directors, Reconstruction Finance Corporation.....	3	10,000	16,000	6,000	462
Members, Securities and Exchange Commission.....	1	15,000	16,000	1,000	462
Board of Directors, Tennessee Valley Authority.....	4	12,500	16,000	3,500	468
Members, Civil Service Commission.....	5	10,000	16,000	6,000	485
Members, United States Maritime Commission.....	3	10,000	16,000	6,000	491
Members, United States Tariff Commission.....	1	12,000	16,000	4,000	500
Members, Indian Claims Commission.....	4	10,000	16,000	6,000	506
Members, War Claims Commission.....	6	10,000	16,000	6,000	425
Members, Philippine War Damage Commission.....	3	12,000	16,000	4,000	79
Board of Commissioners, District of Columbia.....	3	12,000	16,000	4,000	340
General Counsel, National Labor Relations Board.....	1	10,000	16,000	6,000	449
Assistant Secretary, Department of Agriculture.....	1	12,000	16,000	4,000	252
Assistant Secretary, Department of Commerce.....	1	10,330	16,000	5,670	289
Assistant Secretary, Department of the Interior.....	2	10,000	16,000	6,000	229
Assistant Secretary, Department of Labor.....	2	10,330	16,000	5,670	317
Assistant Secretary, Department of the Air Force.....	3	10,000	16,000	6,000	192
Assistant Secretary, Department of the Army.....	2	10,000	16,000	6,000	145
Assistant Secretary, Department of the Navy.....	2	10,000	16,000	6,000	164
Assistant Secretary, Department of State.....	6	10,330	16,000	5,670	83
Assistant Secretary, Treasury Department.....	2	10,000	16,000	6,000	103
Fiscal Assistant Secretary, Treasury Department.....	1	10,330	16,000	5,670	103
Assistant Attorney General, Department of Justice.....	7	10,330	16,000	5,670	201
Assistant Solicitor General of the United States, Department of Justice.....	1	10,330	16,000	5,670	201
Counselor, Department of State.....	1	10,330	16,000	5,670	83
Second Assistant Postmaster General, Post Office Department.....	1	10,330	16,000	5,670	216
Third Assistant Postmaster General, Post Office Department.....	1	10,330	16,000	5,670	216
Fourth Assistant Postmaster General, Post Office Department.....	1	10,330	16,000	5,670	216
Associate Federal Mediation and Conciliation Director.....	1	10,330	16,000	5,670	353
Deputy Director, Central Intelligence.....	1	10,000	16,000	6,000	61
Philippine Alien Property Administrator.....	1	10,000	16,000	6,000	66
Chief Assistant Librarian of Congress.....	1	10,330	16,000	5,670	40
Deputy Public Printer.....	1	10,330	16,000	5,670	36
Architect of the Capitol.....	1	10,330	16,000	5,670	30
Assistant Federal Works Administrator.....	1	10,000	16,000	6,000	406
Governor, Alaska.....	1	10,330	16,000	5,670	229
Governor, Hawaii.....	1	10,330	16,000	5,670	229
Governor, Virgin Islands.....	1	10,330	16,000	5,670	230
Governor, Panama Canal.....	1	10,000	16,000	6,000	157

TABLE 1.—List of top executive and administrative positions to which the proposed bill applies, distributed according to proposed rates of pay—Continued

Description	Number	Rates of pay		Increase	U. S. Government Manual, 1948, p. —
		Present	Proposed		
Sec. 4 (b): Assistant Director of the Administrative Office of the United States Courts.....	1	\$9,707	\$16,000	\$6,293	53
Sec. 4 total.....	162	1,814,097	2,592,000	777,903	-----
Sec. 5: Instances where the chairman or other head of a board or commission has important duties or responsibilities not imposed upon other members of such board or commission, where the compensation of such chairman or other head may be fixed at \$18,000 per annum, cannot readily be determined and, therefore, no estimate of cost is provided.					
Sec. 6 (a):					
Commissioner of Internal Revenue—Treasury Department.....	1	10,330	16,000	5,670	104
Director of the Federal Bureau of Investigation, Department of Justice.....	1	14,000	16,000	2,000	201
Commissioner of Public Roads, Federal Works Agency.....	1	10,330	16,000	5,670	408
Commissioner of Immigration and Naturalization, Department of Justice.....	1	10,330	16,000	5,670	201
Administrator of the Rural Electrification Administration, Department of Agriculture.....	1	10,330	16,000	5,670	253
Commissioner of Social Security, Federal Security Agency.....	1	10,330	16,000	5,670	371
Commissioner of Reclamation, Department of the Interior.....	1	10,330	16,000	5,670	229
Commissioner of Customs, Treasury Department.....	1	10,330	16,000	5,670	106
Governor of the Farm Credit Administration, Department of Agriculture.....	1	10,330	16,000	5,670	252
Chief Forester of the Forest Service, Department of Agriculture.....	1	10,000	16,000	6,000	252
Special Assistants to the Secretary of Defense.....	3	10,000	16,000	6,000	141
General Manager, Tennessee Valley Authority.....	1	10,000	16,000	6,000	485
General Manager, Atomic Energy Commission.....	1	15,000	16,000	1,000	334
Administrator, Farmers Home Administration, Department of Agriculture.....	1	10,330	16,000	5,670	252
Director, Bureau of Prisons, Department of Justice.....	1	10,330	16,000	5,670	201
Administrator, Production and Marketing Administration (President, Commodity Credit Corporation).....	1	10,330	16,000	5,670	252
Sec. 6 (b) (c): Due to the fact that specific positions cannot be determined at this time the maximum estimate of cost is provided.....	10	10,305	16,000	5,695	-----
Sec. 6 total.....	28	295,680	448,000	152,320	-----

TABLE 2.—Number of positions at each proposed salary rate

Bill No. S. 498	Number under each section		Rate of pay		Increase
			Present	Proposed	
Sec. 1 .....	12	12	\$15,000	\$25,000	\$120,000
Sec. 2 (a) .....	1	1	20,000	20,000	
	1	1	15,000	20,000	5,000
	1	1	14,000	20,000	6,000
	4	4	12,000	20,000	32,000
	6	6	10,330	20,000	58,020
	6	19	10,000	20,000	60,000
Sec. 2 (b) .....	1	1	15,000		
	1	1	12,000		
	9	9	10,330		
	1	12	10,000		
	(2)			20,000	
	(3)			18,000	
	(7)			16,000	
Sec. 3 (a) .....	2	2	17,500	18,000	1,000
	1	1	16,500	18,000	1,500
	2	2	15,000	18,000	6,000
	3	3	14,000	18,000	12,000
	2	2	12,000	18,000	12,000
	5	5	10,330	18,000	38,350
	1	16	10,000	18,000	8,000
Sec. 3 (b) .....	1	1	10,330	18,000	7,670
Sec. 4 (a) .....	21	21	15,000	16,000	21,000
	5	5	12,500	16,000	17,500
	30	30	12,000	16,000	120,000
	4	4	11,500	16,000	18,000
	33	33	10,330	16,000	187,110
	68	101	10,000	16,000	408,000
Sec. 4 (b) .....	1	1	9,707	16,000	6,293
Sec. 5 .....					
Sec. 6 (a) .....	1	1	15,000	16,000	1,000
	1	1	14,000	16,000	2,000
	11	11	10,330	16,000	62,370
	5	18	10,000	16,000	30,000
Sec. 6 (b) .....	10	10	10,305	16,000	56,950
Total .....		250	2,858,207	4,232,000	1,373,793

<sup>1</sup> Assumes the 10 positions provided in sec. 6 (b) and (c) are compensated presently at the rate of \$10,305.

TABLE 3.—Present and proposed over-all salary distribution

Salary rate	Present distribution <sup>1</sup>	Proposed distribution	Salary rate	Present distribution <sup>1</sup>	Proposed distribution
\$25,000 .....		12	\$12,000 .....	37	
\$20,000 .....	1	21	\$11,500 .....	4	
\$18,000 .....		20	\$10,330 .....	65	
\$17,500 .....	2		\$10,305 .....	10	
\$16,500 .....	1		\$10,000 .....	81	
\$16,000 .....		197	\$9,707 .....	1	
\$15,000 .....	38		Total .....	250	250
\$14,000 .....	5				
\$12,500 .....	5				

<sup>1</sup> Assumes the 10 positions provided in sec. 6 (b) and (c) are compensated presently at the rate of \$10,305.

TABLE 4.—Estimated cost of proposed bill S. 498

	Number of positions	Estimated annual cost of bill
Secs. 1 to 6, inclusive:		
Increase in compensation of top-bracket positions previously listed (see table 1, 2, or 3) .....	250	\$1,373,793
Sec. 7 (repeal of sec. 304 of Public Law 900, 80th Cong.):		
District of Columbia .....	7,598	2,507,340
Foreign Service of the United States, Department of State .....	6,000	1,980,000
Total .....	13,848	5,861,133